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PX 151

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PX 152

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PX 153

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PX 154

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Exhibit
CP- 0070

2/9/2023
McClure

Date of Report (Date of earliest event reported): February 25, 2019

Alta Mesa Resources, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-38040
(Commission File Number)

81-4433840
(I.R.S. Employer Identification No.)

15021 Katy Freeway, Suite 400, Houston, Texas 77094
(Address of Principal Executive Offices) (Zip Code)

281-530-0991
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by checkmark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On February 25, 2019, Alta Mesa Resources, Inc. (the “Company”) issued a press release announcing results for the quarter and year ended December 31, 2018. The press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 7.01. Regulation FD Disclosure.

On February 25, 2019, the Company issued a press release announcing results for the quarter and year ended December 31, 2018 and providing guidance for 2019. The press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 7.01.

The information in this Current Report on Form 8-K, including the attached Exhibit 99.1, is being “furnished” pursuant to General Instruction B.2 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, and is not incorporated by reference into any Company filing, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.

Exhibit

99.1

[Press Release dated February 25, 2019](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Alta Mesa Resources, Inc.

Date: February 25, 2019

By: /s/ John C. Regan

John C. Regan

Chief Financial Officer

ALTA MESA ANNOUNCES INITIAL 2019 OUTLOOK; REPORTS PRELIMINARY FOURTH QUARTER AND FULL YEAR 2018 RESULTS

Houston, Texas - February 25, 2019 - Alta Mesa Resources, Inc. (NASDAQ: AMR, "Alta Mesa Resources" or the "Company") today announced its 2019 outlook, preliminary fourth quarter 2018 production and volume results and certain other full year 2018 unaudited financial and operational results for its subsidiaries, Alta Mesa Holdings, LP ("Alta Mesa Upstream") and Kingfisher Midstream, LLC ("Kingfisher Midstream"). The previously announced call for tomorrow at 4 p.m. Central time will be rescheduled and held after the Annual Report on Form 10-K for the year ended December 31, 2018 (the "Annual Report") has been filed. Additionally, an updated investor presentation has been posted to the Company's website at www.altamesa.net.

Key Updates:

- 2019 upstream capital program of \$190 to \$210 million is expected to deliver full year 2019 average production of 29,500 to 31,500 BOE per day (45% oil, 70% liquids)
- 2019 midstream capital program of \$55 to \$60 million is expected to deliver \$55 to \$60 million of 2019 Kingfisher Midstream Adjusted EBITDA (See "Non-GAAP and Other Financial Information" below)
- Q4-18 net production was approximately 37,600 BOE per day (50% oil, 73% liquids) and December net production was approximately 39,100 BOE per day (50% oil, 74% liquids)
- Year-end 2018 proved reserves were 158 MMBOE (44% Proved Developed)

James Hackett, Executive Chairman of the Board and Interim Chief Executive Officer of the Company commented: "The Company has been diligent in reducing activity levels and taking the initial steps to right-size the cost structure for the current commodity environment and business outlook. We've set an initial capital plan that will allow us to test the spacing of infill wells that we think will provide a better optimized balance of returns and drilling inventory going forward. The plans announced today are flexible and can be accelerated or reduced as results and commodity prices dictate."

2019 Outlook:

Alta Mesa Upstream 2019 Outlook:

Alta Mesa Upstream entered 2019 with six rigs actively working but reduced the active rig count to zero by the end of January. Year-to-date in 2019, Alta Mesa Upstream has brought eight wells on production. These came on production during January and February as completions activity focused on wells that were in process at year-end 2018. We have identified an additional 16 drilled and uncompleted wells that we intend to have on production by the end of the second quarter of 2019. In late February, Alta Mesa Upstream began taking steps to resume drilling operations. Alta Mesa Upstream expects to utilize two rigs for March, April and May of 2019 and three rigs from June through December of 2019. The capital forecasts and production outlook in the table below reflect these assumptions. The Company continues to monitor well costs, well productivity and commodity prices and has significant flexibility to modify the drilling plans going forward. The overhead guidance below does not reflect any potential severance or other costs associated with our recent reduction in force.

2019 upstream activity will be focused on drilling and completing wells at a density of four to five wells per section. Alta Mesa Upstream will target drilling three infill wells in sections with an existing unit well and five wells in sections with no wells yet drilled. The drilling and completion designs for 2019 are targeting \$3.2 to \$3.5 million per developed well. The lower costs compared to 2018 will be driven by returning to gas lift as the primary lift method, reverting to a completions design more in line with our

2017 well designs, which had fewer stages, and capturing service cost savings from the re-bidding of services in the current market.

Alta Mesa Upstream Guidance

	<u>2019E</u>
Net Production	29,500 - 31,500 BOE/d
Lease Operating and Workover Expense	\$7.50 - \$8.50 / BOE
Marketing and Transportation Expense	\$5.10 - \$5.70 / BOE
Production Tax	5% - 6% of Revenues
Upstream Overhead - G&A	~\$4 million / month
Upstream Capital Expenditures	\$190 - \$210 million

Kingfisher Midstream 2019 Outlook:

The 2019 outlook for Kingfisher Midstream is based on the expected activities of Alta Mesa Upstream and third-party customers already under contract. Kingfisher Midstream expects such third-parties to utilize an average of two to three rigs on the dedicated acreage. Capital for 2019 will be focused on well connects and plant upgrades that will provide incremental value to upstream customers with regards to liquids sales points. Kingfisher Midstream has made the decision to suspend future investments in Cimarron Express Pipeline, LLC ("Cimarron Express"). The anticipated volumes from the currently dedicated acreage, and the resultant project economics, do not support additional investment in Cimarron Express at this time. The midstream capital guidance below, assumes no further investment in the project. The overhead guidance below does not reflect any potential severance or other onetime costs associated with our recent reduction in force. See "Non-GAAP Financial and Other Information " below for further discussion of 2019 Estimated Adjusted Midstream EBITDA.

Kingfisher Midstream Guidance

	<u>2019E</u>
System Gas Volumes	110 - 120 MMcf/d
Produced Water Volumes	70,000 - 80,000 Bbls/d
Crude Oil Volumes	6,000 - 6,500 Bbls/d
Plant Operating Expense	~\$0.30 / MMBTU
Gathering, Processing and Transportation Expense	~\$700,000 / month
Water Operating Expense	~\$0.37 / Bbl
Midstream Overhead - G&A	~\$1 million / month
Adjusted Midstream EBITDA	\$55 - \$60 million
Midstream Capital Expenditures	\$55 - \$60 million

Preliminary Fourth Quarter and Full Year 2018 Results:

Preliminary Q4-18 Operating Results:

In the fourth quarter, Alta Mesa Upstream drilled 47 wells and brought 51 wells onto production. Of the wells brought onto production, nine were funded under the joint development agreement with BCE-STACK Development LLC. Volumes for the quarter are summarized on the table below.

Q4-18 Alta Mesa Upstream Net Production

	<u>Total</u>	<u>Per Day</u>
Oil	1,723 MBbl	18,700 Bbl
NGL	806 MBbl	8,800 Bbl
Gas	5,605 MMcf	60,900 Mcf
Total	3,463 MBOE	37,600 BOE

Kingfisher Midstream's fourth quarter volumes are summarized in the table below. The produced water volumes reflect the average since the system was purchased by Kingfisher Midstream in November 2018.

Q4-18 Kingfisher Midstream Volumes

	<u>Total</u>	<u>Per Day</u>
System Gas Volumes		
Alta Mesa	9,316 MMcf	101 MMcf
Third Party	2,088 MMcf	23 MMcf
Total System Gas Volumes	11,404 MMcf	124 MMcf
Produced Water Volumes	5,320 MBbl	100,370 Bbl
Crude Oil Volumes	546 MBbl	5,936 Bbl

Preliminary 2018 Capital Spending:

Capital expenditures incurred for Alta Mesa Resources were \$782 million for February 9, 2018 through December 31, 2018 (the "Successor Period"). \$695 million and \$87 million of those capital expenditures were for Alta Mesa Upstream and Kingfisher Midstream respectively. These capital expenditure figures do not include \$98 million associated with Kingfisher Midstream's acquisition of the produced water business from Alta Mesa Upstream during Q4-18. Alta Mesa Upstream also incurred capital expenditures of \$43 million from January 1, 2018 through February 8, 2018 (the "Predecessor Period"). In total for 2018, Alta Mesa Upstream capital expenditures were \$738 million.

Balance Sheet Update:

As of December 31, 2018, Alta Mesa Resources had debt with a total face value of \$835 million and cash of \$27 million. Alta Mesa Upstream's total debt was \$661 million, comprised of \$161 million drawn on the its credit facility and \$500 million of senior notes. Kingfisher Midstream's total debt was \$174 million comprised entirely of borrowings under its credit facility. The current face value of total debt for Alta Mesa Resources is \$961 million. Since year-end, Alta Mesa Upstream has borrowed an additional \$117 million under its credit facility, bringing total borrowings under that facility to \$278 million. Kingfisher Midstream has borrowed an additional \$9 million since year-end bringing its total borrowings to \$183 million. We made the incremental borrowings in 2019 principally based on the reduction in negative working capital attendant to the ramp down near year-end 2018. As of December 31, 2018, Alta Mesa Upstream and Kingfisher Midstream were in compliance with the financial covenants contained in their respective debt agreements.

Year-End 2018 Reserves:

Alta Mesa Upstream's year-end 2018 total estimated proved reserves were 158 MMBOE, a 13% reduction from year-end 2017. The proved reserves were 44% proved developed and 67% liquids, when computed on a percentage of total estimated proved reserves. The reduction in proved reserves was driven primarily by revisions to the assumptions around the recovery for proven undeveloped drilling locations.

Corporate Items:

Alta Mesa Resources has determined that it had an ineffective internal control over financial reporting due to an identified material weakness in both the design of its controls and the execution of its control procedures. As a result of this determination, the Company is performing extensive additional analyses and other procedures to ensure that its consolidated financial statements to be included in the Annual Report are prepared in accordance with US GAAP. Accordingly, the Company expects it will need to file a Form 12b-25, Notification of Late Filing, with the Securities and Exchange Commission indicating a delay in the filing of its Annual Report. The extension period provided by Form 12b-25 will give the Company until March 18, 2019 to file its Annual Report. While the Company is targeting that timeframe, there can be no assurance that the Company will complete the preparation and filing of the Annual Report within the extension period.

Alta Mesa Resources expects to record material, non-cash asset impairment charges to both of its upstream and midstream segments in the fourth quarter of 2018. The Company does not expect the impairment charge to have any impact on future operations, its liquidity, cash flows from operating activities, or affect compliance with provisions set forth in its debt instruments. The impairment charge will reduce future depreciation, depletion and amortization expense. The impairment expense is estimated to be approximately \$2.0 billion for the upstream segment and approximately \$1.1 billion for the midstream segment.

The Company did not complete any repurchases under its previously announced \$50 million share repurchase program during the fourth quarter of 2018. Repurchases are done at the Company's discretion in accordance with applicable securities laws from time to time in open market or private transactions.

Safe Harbor Statement and Disclaimer:

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, including but not limited to, Alta Mesa Resources' fourth quarter and year-end financial and operating results, 2019 outlook and guidance, including estimates with respect to capital budget, drilling plans, timing and amount of future production, throughput and produced water volumes, expenses, cost reductions, overhead and EBITDA, the timing of the filing of the Company's Annual Report on Form 10-K, anticipated impairments and the impacts of those impairments, strategy, future operations, financial position, prospects, plans and objectives of management are forward-looking statements. When used in this press release, the words "could", "should", "will", "plan", "believe", "anticipate", "intend", "estimate", "expect", "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on Alta Mesa Resources' current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. Alta Mesa Resources cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond its control, incident to the exploration for and development and production of oil and gas. These risks include, but are not limited to, commodity price volatility, low prices for oil and/or gas, global economic conditions, inflation, increased operating cost, lack of availability of drilling and production equipment and services, operating results, environmental risks, weather risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating oil and gas reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures, and other risks. Information concerning these and other factors can be found in Alta Mesa Resources' filings with the SEC, including its Forms 10-K, 10-Q and 8-K, which can be obtained free of charge on the SEC's web site at <http://www.sec.gov>. Should one or more of the risks or uncertainties described in this press release occur, or should underlying assumptions prove incorrect, Alta Mesa Resources' actual results and plans could differ materially from those expressed in any forward-looking statements. All forward-looking statements, expressed or implied, included in this press release are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral

forward-looking statements that we may issue. Except as otherwise required by applicable law, Alta Mesa Resources disclaims any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this press release.

Non-GAAP and Other Financial Information:

This press release includes 2019 Estimated Adjusted Midstream EBITDA, which represents a current estimate of Kingfisher Midstream's 2019 net income adjusted to exclude interest expense, income taxes, depreciation and amortization, as well as other adjustments. This is a forward-looking financial measure that is not presented in accordance with generally accepted accounting principles ("GAAP"). This non-GAAP financial measure is a numerical measure of financial performance that excludes or includes amounts so as to be different than the most directly comparable measure that would be presented in accordance with GAAP in Alta Mesa Resources' income statement. Non-GAAP financial measures should not be considered in isolation or as a substitute for the most directly comparable GAAP measures. Alta Mesa Resources' non-GAAP financial measures may be different from non-GAAP financial measures used by other companies. This forward-looking non-GAAP financial measure is intended to provide additional information to investors regarding Alta Mesa Resources' current expectations surrounding the future outlook of the business. The Company does not attempt to reconcile this measure with the most directly comparable GAAP financial measure because of the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations, including adjustments identified above, the amounts of which could be material.

Historic and future upstream production and reserves are reported assuming full ethane recovery of barrels. Actual NGL barrels recovered may vary based on optimization of economic recovery.

About Alta Mesa Resources:

Alta Mesa Resources, Inc. is an independent energy company focused on the development and acquisition of unconventional oil and gas reserves in the Anadarko Basin in Oklahoma, and through Kingfisher Midstream, LLC, provides best-in-class midstream energy services, including crude oil and gas gathering, processing and marketing and produced water disposal to producers in the STACK play.

Investor Relations Contact:

Email: IR@altamesa.net
Phone: 281-943-5597

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T.M.L.

✓: Agreed the Date, number of shares and par value to the file titled "AMR-2018-10-K_Clean

Draft to Board_v3" provided by the engagement team.

F: Footed

LOF #: List of findings

10-K 1 amr-2018x10xk.htm 10-K

✓: This document represents post-publish procedures performed by the GDC. They compared and agreed all numbers and words from the filed Form 10K from the SEC website to the filed out version of the Form 10K found within the 4.6.2.10 Series.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

Comparison: Nuance Power PDF Advanced (Nuance) version 2.1 was used by the GDC to assist with the comparison procedures. This tool is a software audit tool (SAT) on the KPMG US Approved SAT List (US SAT List). Firm guidance indicates that this tool should be included on your SAT Engagement Profile. If Nuance is not included on your SAT Engagement Profile and your eAudit file is already closed, we have been informed you may include this deliverable transmittal as evidence of your acknowledgment that Nuance was used to support your audit instead of re-opening the file to modify your SAT Engagement Profile.

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2018

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 001-38040

ALTA MESA RESOURCES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

81-4433840

(I.R.S. Employer
Identification No.)15021 Katy Freeway, Suite 400,
Houston, Texas

(Address of principal executive offices)

77094

(Zip Code)

Registrant's telephone number, including area code: 281-530-0991

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	AMR	The NASDAQ Capital Market
Warrants to purchase one share of Class A Common Stock	AMRWW	The NASDAQ Capital Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.) Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐
Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of June 28, 2018 (the last business day of the registrant's most recently completed second fiscal quarter) was approximately \$776,593,856 based on the closing price of the shares of common stock on that date.

As of June 28, 2019, there were 182,613,382 shares of Class A Common Stock and 199,987,976 shares of Class C Common Stock, par value \$0.0001 per share outstanding. The shares of Class A Common Stock shown as outstanding do not include 735,855 unvested restricted stock awards outstanding as of June 28, 2019.

Table of Contents

	Page
<u>Glossary</u>	<u>i</u>
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	<u>1</u>
<u>PART I</u>	
Item 1. <u>Business</u>	<u>2</u>
Item 1A. <u>Risk Factors</u>	<u>13</u>
Item 1B. <u>Unresolved Staff Comments</u>	<u>45</u>
Item 2. <u>Properties</u>	<u>45</u>
Item 3. <u>Legal Proceedings</u>	<u>51</u>
Item 4. <u>Mine Safety Disclosures</u>	<u>52</u>
<u>PART II</u>	
Item 5. <u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	<u>52</u>
Item 6. <u>Selected Financial Data</u>	<u>55</u>
Item 7. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>56</u>
Item 7A. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>83</u>
Item 8. <u>Financial Statements and Supplementary Data</u>	<u>85</u>
Item 9. <u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	<u>149</u>
Item 9A. <u>Controls and Procedures</u>	<u>149</u>
Item 9B. <u>Other Information</u>	<u>153</u>
<u>PART III</u>	
Item 10. <u>Directors, Executive Officers and Corporate Governance</u>	<u>153</u>
Item 11. <u>Executive Compensation</u>	<u>161</u>
Item 12. <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	<u>184</u>
Item 13. <u>Certain Relationships and Related Transactions, and Director Independence</u>	<u>187</u>
Item 14. <u>Principal Accounting Fees and Services</u>	<u>195</u>
<u>PART IV</u>	
Item 15. <u>Exhibits, Financial Statement Schedules</u>	<u>196</u>
Item 16. <u>Form 10-K Summary</u>	<u>199</u>
<u>Signatures</u>	<u>200</u>

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cash settlements paid for derivatives. Our Alta Mesa RBL generally has minimum and maximum hedging limits as further described elsewhere.

Impairments

In late fourth quarter of 2018, the combination of depressed prevailing oil and gas prices, changes to assumed spacing in conjunction with evolving views on the viability of multiple benches and reduced individual well expectations resulted in impairment charges of \$2.0 billion to our proved and unproved oil and gas properties. Individual well expectations were impacted by reductions in estimated reserve recovery of original oil and gas in place. At the time of the Business Combination, we believed that the stratigraphy underlying our acreage was conducive to development of three distinct benches within the broader Mississippian section. Proved reserve assumptions at the time of the Business Combination were based on initial wells drilled in the STACK, stated expectations from other operators in the STACK as well as analogous results from other resource plays. These proved reserve assumptions included spacing of four wells per section and probable and possible resource assumptions included an incremental three wells per section for a total of seven wells per section. An incremental five wells per section (for a total of 12 wells per section) were classified as contingent resources to which no value was assigned in the purchase price allocation for the Business Combination. We expected all proved and unproved wells to deliver similar results of approximately 250 Mbbl of reserve recovery. Our 2018 drilling program was executed under these assumptions and by early 2019, we had 17 different sectional development patterns with six to ten wells per section and meaningful production results. The pattern wells generally produced as expected for the initial 60 days but began to fall below type curve after 90-120 days, which we believe was due to interference associated with the current spacing and benches. Our analysis of these results led to the following individual well reserve recovery and the overall spacing assumptions (all arrived at prior to the de-recognition of PUDs more fully described elsewhere):

- No distinct benches exist within the Mississippian section that are not in direct communication with each other resulting in only four to five wells per section that we believe should be spaced horizontally 1,000 feet or more apart;
- Year-end PUD type curves for future development are estimated to have reserves of 175 Mbbl per well, down from the 250 Mbbl at the time of the Business Combination;
- Year-end proved reserve spacing per section is assumed at four or five wells per section which is roughly equivalent to the assumptions at the time of the Business Combination;
- Year-end probable and possible resource individual well recovery was assessed to be 200 Mbbl compared to 250 Mbbl at the time of the Business Combination;
- Year-end probable and possible resource spacing assumes no additional wells per section on fully developed proved sections; and
- No incremental recovery expected from contingent resources.

In May 2018, a subsidiary of KFM entered into agreements with a third party to jointly construct and operate a new crude oil pipeline via creation of Cimarron that we accounted for under the equity method. Cimarron's proposed pipeline was to extend from our processing plant to Cushing, Oklahoma and was to be constructed and operated by Cimarron, which we determined was controlled by the non-KFM owner.

As the outlook for Alta Mesa volumes and third-party volume opportunities in the area were significantly lower than initially projected, we suspended future contributions to Cimarron and have begun discussions to abandon the project. We do not believe the project will be completed and we conducted an impairment analysis resulting in the recognition of an impairment charge of \$16.0 million during the Successor Period to reduce the carrying value of our investment in Cimarron to its estimated fair value at December 31, 2018.

Based on an estimation of the fair value of KFM utilizing an income approach that took into consideration the outlook for Alta Mesa and third-party volumes available for processing, we determined that a portion of the value of KFM's plant and equipment and all of KFM's intangible assets and goodwill were impaired at December 31, 2018.

The summary of impairment expense follows:

(in millions)	Successor	Predecessor		
	February 9, 2018 Through December 31, 2018	January 1, 2018 Through February 8, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Impairment attributable to:				
Upstream				
Unproved properties	\$ 742.1	\$ —	\$ —	\$ —
Proved properties	1,291.6	—	1.2	0.4
Total Upstream	2,033.7	—	1.2	0.4
Midstream				
Investment in Cimarron	16.0			
Property, plant and equipment	68.4			
Intangible assets	395.0	—	—	—
Goodwill	692.0	—	—	—
Total Midstream	1,171.4	—	—	—
Total impairment of assets	\$ 3,205.1	\$ —	\$ 1.2	\$ 0.4

Factors affecting future performance and our outlook

The primary factors affecting our production levels, which may be interrelated, are current commodity prices, capital availability, the effectiveness and efficiency of our production operations, the success of our drilling program and our inventory of drilling prospects. In addition, our wells have significant natural production declines. We attempt to overcome this natural decline primarily through development of our existing undeveloped resource, well recompletions and other enhanced recovery methods. Sustaining our production levels or our future growth will depend on our ability to continue to develop reserves. Our ability to add reserves through drilling and other development techniques is dependent on current market conditions and our capital resources and can be limited by many factors, including our ability to timely obtain drilling permits and regulatory approvals. Any delays in drilling, completing or connecting our new wells to gathering lines will negatively affect our production, which will have an adverse effect on our revenue and, as a result, our cash flow from operations.

Results of Operations

Business Segments

Our discussion of results of operations is presented on a segment basis. Our two reportable segments are (1) Upstream and (2) Midstream, which separately feature distinct revenue producing activities. We evaluate Upstream and Midstream segment performance using Adjusted EBITDAX and Adjusted EBITDA, respectively.

The Company's management believes Adjusted EBITDAX and Adjusted EBITDA are useful because they allow users to more effectively evaluate our operating performance, compare the results of our operations from period to period and against our peers without regard to our financing methods or capital structure and because it highlights trends in our business that may not otherwise be apparent when relying solely on GAAP measures. Adjusted EBITDAX and Adjusted EBITDA should not be considered as an alternative to our segments' net income (loss), operating income (loss) or other performance measures derived in accordance with GAAP and may not be comparable to similarly titled measures in other companies' reports. The Company's applicable corporate activities have also been allocated to the supported business segments.

For the Periods from February 9, 2018 Through December 31, 2018 (Successor) and January 1, 2018 Through February 8, 2018 (Predecessor) Compared to the Year Ended December 31, 2017 (Predecessor)

The segment results exclude financial information related to discontinued operations and exclude inter-segment consolidating eliminations.

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Table of Contents
Index to Financial Statements

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALTA MESA RESOURCES, INC.
 (Registrant)

By: /s/ John C. Regan
John C. Regan
 Chief Financial Officer
 (Principal Financial Officer
 and Principal Accounting
 Officer)

Dated: August 26, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 26th day of August, 2019, by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title
By: <u>/s/ James T. Hackett</u> James T. Hackett	Chairman of the Board, Interim Chief Executive Officer and Director (Principal Executive Officer)
By: <u>/s/ John C. Regan</u> John C. Regan	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
By: <u>/s/ Donald R. Dimitrievich</u> Donald R. Dimitrievich	Director
By: <u>/s/ William W. McMullen</u> William W. McMullen	Director
By: <u>/s/ Pierre F. Lapeyre, Jr.</u> Pierre F. Lapeyre, Jr.	Director
By: <u>/s/ Jeffrey H. Tepper</u> Jeffrey H. Tepper	Director
By: <u>/s/ Diana J. Walters</u> Diana J. Walters	Director
By: <u>/s/ Sylvia J. Kerrigan</u> Sylvia J. Kerrigan	Director
By: <u>/s/ David M. Leuschen</u> David M. Leuschen	Director
By: <u>/s/ Donald R. Sinclair</u> Donald R. Sinclair	Director

PX 157



Alta Mesa Resources

NASDAQ: AMR

Date: September 12, 2019

**ALTA MESA RESOURCES AND ALTA MESA HOLDINGS FILE VOLUNTARY
BANKRUPTCY PETITION**

ANNOUNCE LEADERSHIP CHANGES

HOUSTON, September 12, 2019 (GLOBE NEWSWIRE) - Alta Mesa Resources, Inc. (NASDAQ: AMR “Alta Mesa Resources”), Alta Mesa Holdings, LP (“Alta Mesa”), Alta Mesa Holdings GP, LLC, OEM GP, LLC, Alta Mesa Finance Services Corp., Alta Mesa Services, LP and Oklahoma Energy Acquisitions, LLC, or collectively “the Companies”, today announced that they have filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code. The Companies’ midstream platform, Kingfisher Midstream, LLC and its subsidiaries are not debtors and are not part of the Chapter 11 reorganization process.

Jim Hackett, Executive Chairman of Alta Mesa Resources, commented “We believe that the Chapter 11 process provides the best pathway for Alta Mesa Resources and Alta Mesa Holdings to restructure their respective balance sheets and to regain the financial flexibility necessary to develop their large position in the STACK in a manner that will maximize value for all their stakeholders.”

Despite considerable progress in reducing costs and improving well results, the Companies continue to operate against a historically challenging commodity price environment and a capital market that is highly constrained for energy companies. Ultimately, these factors made bankruptcy protection the best option for the Companies as they continue production operations while negotiating with their lenders.

Alta Mesa Resources also announced that its Board of Directors has approved several leadership changes, in addition to prior personnel decisions that the Companies have made. These changes, which are effective immediately, will help provide a more optimal management structure for the future and reduce general and administrative costs. Jim Hackett, who recently held the title of Interim Chief Executive Officer, has resumed his former role as Executive Chairman and will remain involved with the Board and management team in the restructuring process. Mark Castiglione, who was previously Interim Executive Vice President Strategy and Corporate Development, has been promoted to Chief Executive Officer. Randy Limbacher, formerly Interim President, has accepted the role of Executive Vice President of Strategy, and will provide strategic counsel to the management team and Board. John Campbell, formerly Interim Chief Operating Officer, has become President and Chief Operating Officer. Kim Warnica will continue as Executive Vice President, General Counsel, Chief Compliance Officer and Secretary, while John Regan will remain Executive Vice President and Chief Financial Officer.

Jim Hackett commented on the leadership changes, “When I assumed the Interim Chief Executive Officer role, I said that we would endeavor to find the right individual to lead the organization as it continues to progress forward with the development of our asset base. Mark Castiglione has demonstrated the skills required to lead this organization into the future, and he has the full support of the Board. Mark has both a financial and technical background and has served in engineering and business development roles in several large- and medium-sized public and private independent oil and gas companies. I am also very excited to have Randy Limbacher maintain his relationship with Alta Mesa Resources.”

Safe Harbor Statement and Disclaimer:

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, including but not limited to, the Companies' ability to restructure their respective balance sheets are forward-looking statements. When used in this press release, the words “could”, “should”, “will”, “plan”, “believe”, “anticipate”, “intend”, “estimate”, “expect”, “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein include, but are not limited to: the ability to confirm and consummate a plan of reorganization; risks attendant to the bankruptcy process, including the effects thereof on the Companies' business and on the interests of various constituents, the length of time that the Companies might be required to operate in bankruptcy and the continued availability of operating capital during the pendency of such proceedings; risks associated with third party motions in any bankruptcy case, which may interfere with the ability to confirm and consummate a plan of reorganization; potential adverse effects on the Companies' liquidity or results of operations; increased costs to execute the reorganization; effects on the market price of AMR's common stock and on the Companies' ability to access the capital markets; and the risk factors and known trends and uncertainties as described in the AMR and Alta Mesa Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K as filed with the SEC. For a more detailed discussion of risk factors, please see Part I, Item 1A, “Risk Factors” of AMR's and AMH's most recent Annual Report on Form 10-K. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in the forward-looking statements. AMR assumes no obligation and expressly disclaims any duty to update the information contained herein except as required by law.

Alta Mesa Resources' Form 10-K is available for review on the Company's investor page at <http://altamesaresources.irpass.com/> or on the Securities and Exchange Commission website at www.sec.gov.

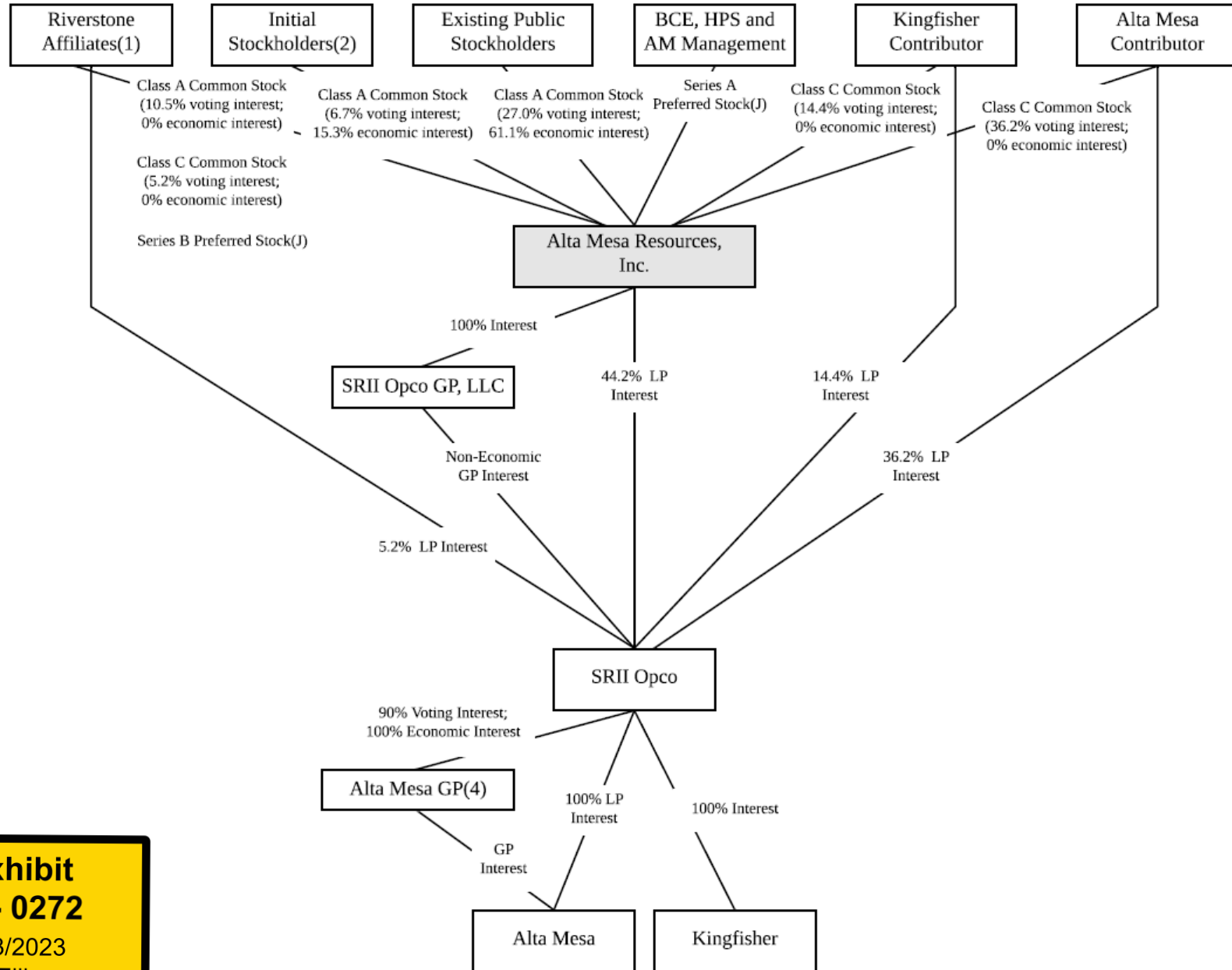
About Alta Mesa Resources:

Alta Mesa Resources, Inc. is an independent energy company focused on the development and acquisition of unconventional oil and natural gas reserves in the Anadarko Basin in Oklahoma, and through Kingfisher Midstream, LLC, provides best-in-class midstream energy services, including crude oil and gas gathering, processing and marketing and produced water disposal to producers in the STACK play.

FOR MORE INFORMATION CONTACT: Bruce Connery, Al Petrie Advisors, bconnery@altamesa.net, 281-943-1375

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PX 158

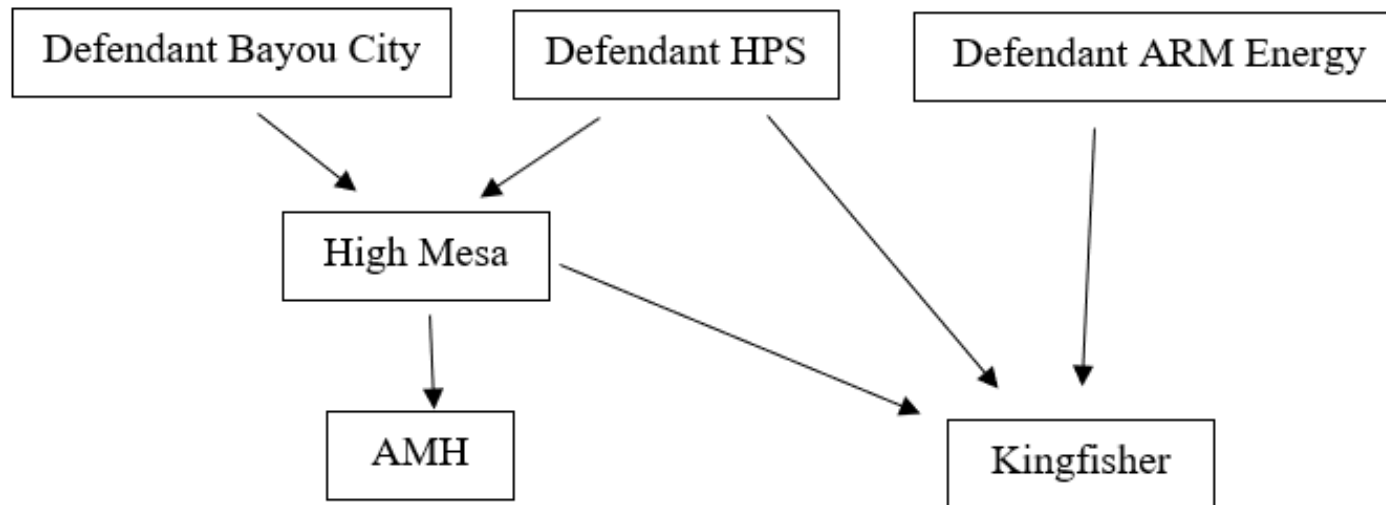


**Exhibit
CP- 0272**

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PX 159

Illustrative AMH and Kingfisher Ownership Structure



**Exhibit
CP- 0271**

4/3/2023
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PX 160

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE ALTA MESA RESOURCES, INC.
SECURITIES LITIGATION

CASE NO. 4:19-CV-00957

JUDGE GEORGE C. HANKS, JR.

**DEFENDANT ARM ENERGY HOLDINGS, LLC'S RESPONSES AND OBJECTIONS
TO LEAD PLAINTIFFS' FIRST SET OF INTERROGATORIES**

Pursuant to Rules 26 and 33 of the Federal Rules of Civil Procedure, Defendant ARM Energy Holdings, LLC ("ARM Energy"), by and through undersigned counsel, hereby submits its responses and objections to Lead Plaintiffs' First Set of Interrogatories Directed to ARM Energy Holdings, LLC, dated March 28, 2023 (individually, the "Interrogatory" and, collectively, the "Interrogatories").

The following responses are made in good faith after a preliminary inquiry within the timeframe provided, and are based upon the facts, documents, and information presently known and available to ARM Energy. Discovery, investigation, research, and analysis are ongoing in this case and may disclose the existence of additional facts, add meaning or interpretation to known facts, establish entirely new factual conclusions or legal contentions, or possibly lead to additions, variations, and/or changes to these responses. ARM Energy reserves the right to alter, supplement, amend, or otherwise modify these responses and objections in any manner, at any time, in light of additional facts revealed through subsequent inquiry or otherwise brought to ARM Energy's attention. This reservation, however, shall not be construed as an undertaking of an affirmative duty to amend or supplement these responses, except as otherwise required by law. Counsel for ARM Energy is willing to meet and confer with Lead Plaintiffs' counsel regarding the

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discovery of admissible evidence. ARM Energy further objects on the basis that the terms and phrases “quantify,” “interests,” “other assets or things of value,” “contributed,” and “directly or indirectly” are vague, ambiguous, and capable of multiple reasonable interpretations. ARM Energy also objects to the Interrogatory to the extent it seeks information that is available to Lead Plaintiffs because it is a matter of public record.

Subject to and without waiving the foregoing objections, ARM Energy responds that ARM Energy contributed to the Business Combination its equity interest in the Kingfisher Contributor, as that term is defined in the Proxy.

INTERROGATORY NO. 2: Identify and quantify all remuneration, compensation and other benefit You received by operation of the Business Combination, whether directly or indirectly, including without limitation all cash and securities.

RESPONSE: ARM Energy objects to this Interrogatory as overly broad, unduly burdensome, not proportional to the needs of the case, and not reasonably calculated to lead to the discovery of admissible evidence. ARM Energy further objects on the basis that the terms and phrases “quantify,” “remuneration,” “other benefit,” “operation,” and “directly or indirectly” are vague, ambiguous, and capable of multiple reasonable interpretations. ARM Energy also objects to the Interrogatory to the extent it seeks information that is available to Lead Plaintiffs because it is a matter of public record.

Subject to and without waiving the foregoing objections, ARM Energy responds that it received approximately \$101,187,883.30 in cash and 10,654,181.76 shares of Silver Run Acquisition Corp. II common stock as a result of the Business Combination.

INTERROGATORY NO. 3: Identify and quantify all remuneration, compensation and other benefit You derived from the securities and ownership interests that You received in

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